

**UNIVERSITI TEKNOLOGI MARA**

**CSR AND VALUE CREATION: A  
STUDY AMONG FINANCIAL  
INSTITUTIONS IN MALAYSIA**

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Dissertation submitted in partial fulfillment  
of the requirements for the degree of  
**Master of Accountancy**

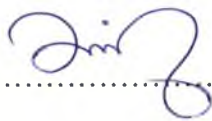
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August 2013

**AUTHOR’S DECLARATION**

I declare that the work in this dissertation was carried out in accordance with the regulations of UniversitiTeknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as reference work. This dissertation has not been submitted to any other academic institution or non-academic institution for my other degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, UniversitiTeknologi MARA, regulating the conduct of my study and research.

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## **ABSTRACT**

Financial institutions globally have received considerable amount of pressure from stakeholders to act responsibly and ethically and to be more involved in corporate social responsibility (CSR) practices. However, the ability for financial institutions to fulfill such demands from stakeholders is dependent upon the availability of resources to meet these social causes. It is expected that the involvement of financial institutions in CSR practices can enhance the organizations' value. As such, this study seeks to examine the relationship between stakeholders' pressure and internal resources on CSR reporting from the perspective of stakeholder and resource-based theories and the effect of such disclosure on value creation. The sample for the study was selected from 20 financial institutions in Malaysia over a four-year period from 2008 – 2011 resulting in 76 firms-year observations. Content analyses of annual and sustainability reports were undertaken to measure the quantity and quality of CSR disclosure. Value creation was measured using a value-creation index that incorporates both financial and non-financial measures. The results of the study indicate that there is an improvement in the quantity and quality of CSR disclosure over the four-year period with community dimension being the focus of the CSR activities. Customers were found to be the more influential stakeholders driving the CSR disclosures while concentrated ownership structure inhibits CSR reporting among financial institutions. The quality of CSR reporting was found to be the determining factor that contributed to firms' value.

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